

Kentucky Postsecondary Education

2000-02 TRUST FUNDS GUIDELINES:

Research Challenge Trust Fund

Regional Excellence Trust Fund

Postsecondary Workforce Development Trust Fund

Technology Initiatives Trust Fund

Physical Facilities Trust Fund

July 17, 2000

Revised May 21, 2001

Commonwealth of Kentucky
Council on Postsecondary Education
Frankfort, Kentucky 40601-8204



2000-02 TRUST FUNDS GUIDELINES

**AS APPROVED BY
THE COUNCIL ON POSTSECONDARY EDUCATION**

JULY 17, 2000

REVISED MAY 21, 2001

2000-02 TRUST FUNDS GUIDELINES

Table of Contents

Council Staff Assignments	i
Calendar	ii
Endowment Match Program Guidelines	1
<i>Research Challenge Trust Fund</i>	
<i>Regional University Excellence Trust Fund</i>	
Enrollment Growth and Retention Program Guidelines	11
<i>Research Challenge Trust Fund</i>	
<i>Regional University Excellence Trust Fund</i>	
<i>Postsecondary Workforce Development Trust Fund</i>	
Action Agenda Program Guidelines	18
<i>Regional University Excellence Trust Fund</i>	
Workforce Training Program Guidelines	20
<i>Postsecondary Workforce Development Trust Fund</i>	
Equipment Replacement Program Guidelines	21
<i>Technology Initiatives Trust Fund</i>	
Capital Renewal and Maintenance Program Guidelines	23
<i>Physical Facilities Trust Fund</i>	
Appendix	28
<i>July 17, 2000, Communication on Timelines for Allocating</i>	
<i>the 2000-02 Capital Renewal and Maintenance Program,</i>	
<i>Equipment Replacement Program, and the Agency Bond Pool</i>	

2000-02 TRUST FUNDS PROGRAMS

COUNCIL STAFF ASSIGNMENTS

Trust Funds and Programs

Council Staff Assignment

Research Challenge

Endowment Match
Enrollment Growth and Retention

Bill Payne
Sherri Noxel

Regional University Excellence

Endowment Match
Enrollment Growth and Retention
Action Agenda

Bill Payne
Sherri Noxel
Jim Applegate

Postsecondary Workforce Development

Enrollment Growth and Retention
Workforce Training
Administrative Information System

Sherri Noxel
Angela Martin
Dennis Taulbee

Technology Initiatives

Equipment Replacement
Network Infrastructure
Public Communications Campaign
Faculty Development

Sherron Jackson
Dennis Taulbee
Jim Applegate
Jim Applegate

Physical Facilities

Capital Renewal and Maintenance
Renovation, Replacement, & Infrastructure
New Construction

Sherron Jackson
Sherron Jackson
Sherron Jackson

Adult Education and Literacy

Cheryl King

Science and Technology

Jennifer Marsh

Student Financial Aid and Advancement

Dennis Taulbee

TRUST FUNDS CALENDAR

JULY 1 – DECEMBER 31, 2000

July

- 17 Trust Funds Guidelines approved by the Council for the following programs: Research Challenge and Regional University Excellence Endowment Match, Enrollment Growth and Retention, Action Agenda, Workforce Training, Equipment Replacement, and Capital Renewal and Maintenance.
- 17 Distributed reporting guidelines for projects to be funded by bond proceeds from the Capital Renewal and Maintenance Program, Equipment Replacement Program, and the Agency Bond Pool.
- 31 Deadline for institutions to identify projects to be funded by bond proceeds from the Capital Renewal and Maintenance Program and the Agency Bond Pool.

August

- 02 Distribution of 2000-02 Trust Funds Guidelines.
- 02 First quarter allotment of 2000-01 Enrollment Growth and Retention Program funds.
- 15- September 30 Meet with institutions regarding Endowment Match Program procedures.

September

- 01 KCTCS submits proposal for use of Workforce Training Program funds.
- d. Mailout and Web posting of Council meeting materials including recommendation for the Capital Renewal and Maintenance Program and the Agency Bond Pool.
- 18 Council meeting – Council considers recommendation for the Capital Renewal and Maintenance Program and the Agency Bond Pool.
- 19 Report Council action on the Capital Renewal and Maintenance Program and the Agency Bond Pool to the Secretary of the Finance and Administration Cabinet.

October

- 01 Issue Endowment Match Program procedures.
- d. Second quarter allotment to institutions of 2000-01 Enrollment Growth and Retention Program funds.
- 01 First and second quarter allotments to KCTCS of 2000-01 Workforce Training Program funds.
- 02 Institutions submit proposals for use of Equipment Replacement Program funds (includes certification of match for research equipment).
- d. UK and UofL report use of 1998-2000 Research Equipment funds.
- 15 1999-2000 Annual Endowment Reports due from institutions.

November

- 01 Mailout and Web posting of Council meeting materials including recommendation for use of Equipment Replacement Program funds.
- d. Fall 2000 enrollment data due to Council from institutions.
- 01 Interim financing tentatively available through the Finance and Administration Cabinet for the Capital Renewal and Maintenance Program and the Agency Bond Pool funds at the request of the institutions.
- 13 Council meeting – Council considers recommendation for Equipment Replacement Program funds.
- 14 Report Council action on Equipment Replacement Program funds to the Secretary of the Finance and Administration Cabinet.

December

- d. Council staff reports Fall 2000 Enrollment Growth and Retention goals and notifies any institution not meeting these goals of the need to submit a plan showing how future funds will be used to support recruitment and retention efforts. Reports due to Council by January 15, 2001.

2000-02 ENDOWMENT MATCH PROGRAM GUIDELINES

Introduction

The Endowment Match Program for 2000-02 is cash-funded in the Surplus Expenditure Plan in the 2000-02 Appropriations Bill as follows:

Research Universities

University of Kentucky	\$66,667,000
University of Louisville	<u>33,333,000</u>
Total	\$100,000,000

Comprehensive Universities

Eastern Kentucky University	\$4,900,000
Kentucky State University	1,503,000
Morehead State University	2,925,000
Murray State University	3,383,000
Northern Kentucky University	2,664,000
Western Kentucky University	<u>4,625,000</u>
Total	\$20,000,000

These guidelines replace the 1998-2000 guidelines approved by the Council in 1998 with the following exception:

- The 1998-2000 allocation to each university must be matched completely before that institution qualifies for any portion of its 2000-02 allocation. Each university will use the 1998-2000 Endowment Program Guidelines until its 1998-2000 Endowment Program allocation has been completely matched.

Section 1: Research Universities

A. Objectives

The Research Challenge Trust Fund (RCTF) was created with the passage of the Postsecondary Education Improvement Act of 1997 (HB 1). The objectives of the trust fund stated in the bill are to support efforts by the University of Kentucky to attain status as a top 20 public research university and the University of Louisville to become a premier, nationally recognized metropolitan university. During the 2000 session of the Kentucky General Assembly, a \$100 million endowment was appropriated from the General Fund Surplus Expenditure Plan of House Bill 502 in support of the research universities' missions. *2020 Vision: An Agenda for Kentucky's Postsecondary Education System*, passed by the Council on Postsecondary Education (CPE) in July 1998, addresses this issue and links advanced education to statewide priorities and economic growth in the 21st century.

HB 1 and its subsequent funding increases for postsecondary education set priorities that are reinforced by the establishment of the endowment for the research universities and other incentives. Kentucky has committed itself to the importance of research to the economic well-being of its citizens. State government will provide endowment funds with the provision that the universities match them dollar-for-dollar.

This collaborative approach is critical to advancing Kentucky's research presence into national prominence. Joint funding will build new patterns of public-private cooperation for economic growth in the Commonwealth. Corollary benefits will be reaped in the instructional areas at the undergraduate, graduate, and professional levels.

As part of establishing guidelines for allocating the endowment funds, it is necessary to define what it means to be a top 20 public research university and a metropolitan research university of distinction.

Being a top 20 public research university is more than simply national standing in the number or dollar amounts of sponsored grants and contracts. National standing in this list probably will not be a sufficient indicator of prominence in the early years of the next century. Federal research dollars will tend to flow increasingly to strategic alliances between universities and corporations, with joint faculty and staff appointments and shared research interests. The era of major research universities that stand alone on the basis of federal sponsored program support most likely has passed. Kentucky should look for collaborative projects, especially in the technologies, engineering, and applied sciences and strive to achieve excellence in basic and applied research.

Nationally prominent research universities often are known for the excellence of their undergraduate education. Many of their graduate and professional schools have earned national recognition. They are engaged in work that has great practical and ethical importance for the people they serve. These institutions recognize that social and economic development depends not only on scientific discoveries but also on a deepened appreciation of how these innovations will affect personal lives and values. A top 20 public research university has to encompass many of these ideals.

A metropolitan research university of distinction fulfills the complex role of a major institution acting in a densely populated area. In general, such a university serves a larger portion of non-traditional students who bring to the university diverse experiences, educational objectives, and personal means. Their needs stimulate the university to respond in innovative programmatic ways. A metropolitan university's research is strongly focused toward problem solving and applied research activities. It is a source of creativity and knowledge for its constituents, and is a major stakeholder in the vitality and economic resiliency of the metropolitan area it serves. The university is an integral part of the city, not simply located there. It is of the city, not merely in it.

B. General Guidelines for the Use of the Endowment Funds

The CPE expects state and private matching funds to be substantially directed toward supporting research that leads to the creation, preservation, or attraction of businesses that increase the number of good jobs available in Kentucky.

For these purposes, "good jobs" are defined as jobs that yield income at or above the national per capita income. The proximity to a university is recognized as a factor that influences the creation and growth of new companies. The universities should be aware of their role in creating entrepreneurial "hot spots" in Kentucky in choosing endowment fund initiatives.

This expectation recognizes the contribution of arts and humanities to the quality of life in the Commonwealth. The quality of life has been identified in Entrepreneurial Hot Spots as one of the top five factors contributing to corporate location. Since the primary purpose of the RCTF is to advance Kentucky's economic growth, the CPE is receptive to limited, specifically targeted use of the endowment funds in this area.

The CPE recognizes that strong research programs are clustered.

Highly coordinated nuclei of similar research interests appear to have a better chance of success than isolated efforts. The State University of New York once followed a "7 x 7" rule: there should be seven related disciplines (such as Physical Sciences, Biological Sciences, Chemistry, etc.) with seven full-time faculty in each discipline. This configuration creates a critical mass of scholars who can influence the nation's research and academic agenda.

The CPE recognizes that the boundaries of traditional disciplines are increasingly permeable.

Much exciting new work is being done where the disciplines overlap or interact. The CPE encourages the use of endowment funds for interdisciplinary and problem-focused research efforts.

The CPE also recognizes the importance of strategic alliances between universities and corporations in specific research projects.

Strategic alliances will leverage federal support that became a major source of research funding during the years following World War II. The CPE encourages partnerships, particularly in the technologies, engineering, and applied sciences.

The Boards of Trustees of the universities have primary responsibility for the actualization of the RCTF Endowment.

The Boards of Trustees are responsible for providing guidance, to the greatest extent possible, to the university or foundation that serves as a depository of the endowment funds. The role of the Boards of Trustees is to define the public good and the ways in which their universities respond to it, in accordance with policy guidance from the elected representatives of the people (the Governor and General Assembly).

The primary role of the CPE will be oversight of the implementation of the RCTF Endowment.

The CPE:

- a. Will require the institutions to outline the areas of concentration within which the endowment and matching funds are used.
- b. Will set guidelines for distribution of the RCTF Endowment money.
- c. Will require detailed reporting of how the RCTF Endowment and matching money are used. This reporting would include, but not be limited to, such items as:
 - i. The number of endowed chairs and professorships by name and incumbent.
 - ii. The specific support services attached to the chairs and professorships.
 - iii. The benefits to the university, which would include:
 - The increase in sponsored program funding directly attributed to the RCTF and indirectly attributed as a result of improved institution reputation.
 - The changes in quality of students and measurable outcomes (retention, graduation, pursuit of advanced study, and employment).
 - The creation and profitable use of intellectual property.
- d. The benefits to Kentucky in terms of jobs, revenue growth, creation of wealth, and improved standard of living.

C. Uses of Endowment Match Program Funds

1. Endowment Match Program funds will be used for the following purposes:
 - **Endowed Chairs:** Fund new faculty positions and associated expenses. Associated expenses may include travel, start-up costs, and other professional expenses as permitted by university policy.
 - **Endowed Professorships:** Fund salary supplements to existing faculty positions and associated expenses for those positions including travel expenses, start-up costs, and other professional expenses as permitted by university policy.

- **Endowed Graduate/Professional Fellowships:** Fund fellowship stipends, which may include travel and other expenses as permitted by university policy, for outstanding graduate or professional students.
 - **Research and Graduate Mission Support:** Includes support for the improvement of priority programs of national distinction including funding for visiting scholars, nationally prominent publications, the dissemination of research, and the advancement and support of the general research mission as specified in university regulations and policies. Universities would not fund capital construction projects with endowment funds.
2. At least 60 percent of these funds must be used to support the academic disciplines of engineering, technology, computer science, health sciences, life sciences, mathematics, or physical sciences. These areas are of strategic benefit to Kentucky and are core components of the knowledge-based economy.
 3. Endowment Match Program funds cannot be used for administration or administrative staff positions if the primary reason for the appointment is administrative. However, researchers or scholars with an active research program who may have an appointment such as departmental chair, center director, or dean will be eligible.

D. Matching Requirements

This program is conceived as a way to bring new money from external sources into the Commonwealth's system of postsecondary education. To receive Endowment Match Program funds, the research universities will provide a dollar-for-dollar match:

1. Eligible matching funds can be received from only the following entities:
 - Businesses, foundations, hospitals, or corporations.
 - Alumni or other individuals.
2. The minimum eligible matching amount is \$50,000. A university may combine smaller donations from individuals, businesses, foundations, or corporations to meet the \$50,000 minimum.
3. All matching funds must be endowed. "Endowed" means the principal must be maintained and only earnings may be expended.
4. Requests for Endowment Match Program funds should:

- Identify separately the matching funds that are cash and the matching funds that are pledges.
 - Be based on a binding written contract or agreement.
 - Include a payment pledge that may not exceed five years.
5. If pledged funds are not received within five years, the university must replace the portion that is not received with another eligible cash match or the Endowment Match Program funds will revert to the Trust Fund for reallocation.
6. ~~Matching funds may not be from any state-funded trust fund.~~ Matching funds must be from external sources. General Fund appropriations and student-derived revenues (for example, tuition and fees revenue) are not eligible for matching funds.

E. Annual Reporting for 2000-02

The Council staff, working with university presidents and their staffs, will modify as necessary the universities' annual report used to monitor the 1998-2000 Endowment Match Program.

Section 2: Comprehensive Universities

A. Objectives

The Regional University Excellence Trust Fund (RUETF) was created with the passage of the Postsecondary Education Improvement Act of 1997 (HB 1). One of the objectives of the trust fund stated in the bill is to help each regional, comprehensive university to become nationally recognized in at least one academic program of distinction or one applied research program. During the 2000 session of the Kentucky General Assembly, a \$20 million endowment was appropriated from the General Fund Surplus Expenditure Plan of House Bill 502 in support of the comprehensive universities' missions. *2020 Vision: An Agenda for Kentucky's Postsecondary Education System*, passed by the Council on Postsecondary Education (CPE) in July 1998, addresses this issue and links advanced education to statewide priorities and economic growth in the 21st century.

HB 1 and its subsequent funding increases for postsecondary education set priorities that are reinforced by the establishment of the endowment for the regional universities and other incentives. Kentucky has committed itself to the importance of research to the economic well-being of its citizens. State government will provide endowment funds that the universities must match dollar-for-dollar.

This collaborative approach is critical to advancing Kentucky's research presence into national prominence. Joint funding will build new patterns of public-private cooperation for economic growth in the Commonwealth. Corollary benefits will be reaped in the instructional areas at the undergraduate and graduate levels.

As part of establishing guidelines for allocating the endowment funds, it is necessary to consider the unique role the comprehensive universities play in the areas and to the constituents they serve. The economies and vitality of the communities surrounding the universities require direct application of research results. Institutions must strive for a balance by recruiting or rewarding scholars that can attract outside funding and work well with communities, business, and industry. Comprehensive institutions should embrace and respond to the needs of the communities of which they are part.

B. General Guidelines for the Use of the Endowment Funds

The CPE expects state and private matching funds to be substantially directed toward supporting applied research that leads to the creation, preservation, or attraction of businesses that increase the number of good jobs available in Kentucky.

For these purposes, "good jobs" are defined as jobs that yield income at or above the national per capita income. The proximity to a university is recognized as a factor that influences the creation and growth of new companies. The universities should be aware of their role in creating entrepreneurial "hot spots" in Kentucky in choosing endowment fund initiatives.

This expectation recognizes the contribution of arts and humanities to the quality of life in the Commonwealth. The quality of life has been identified in Entrepreneurial Hot Spots as one of the top five factors contributing to corporate location. Since the primary purpose of the RUETF is to advance Kentucky's economic growth, the CPE is receptive to limited, specifically targeted use of the endowment funds in this area.

The CPE recognizes that the boundaries of traditional disciplines are increasingly permeable.

Much exciting new work is being done where the disciplines overlap or interact. The CPE encourages the use of endowment funds for interdisciplinary and problem-focused research efforts.

The CPE also recognizes the importance of strategic alliances between universities and corporations in specific research projects.

Strategic alliances will leverage federal support that became a major source of research funding during the years following World War II. The CPE encourages partnerships, particularly in the technologies, engineering, and applied sciences.

The Boards of Regents of the universities have primary responsibility for the actualization of the RUETF Endowment.

The Boards of Regents are responsible for providing guidance, to the greatest extent possible, to the university or foundation that serves as a depository of the endowment funds. The role of the Boards of Regents is to define the public good and the ways in which their universities respond to it, in accordance with policy guidance from the elected representatives of the people (the Governor and General Assembly).

The primary role of the CPE will be oversight of the implementation of the RUETF Endowment.

The CPE:

1. Will require the institutions to outline the areas of concentration within which the endowment and matching funds are used.
2. Will set guidelines for distribution of the RUETF Endowment money.
3. Will require detailed reporting of how the RUETF Endowment and matching money are used. This reporting would include, but not be limited to, such items as:
 - a. The number of endowed chairs and professorships by name and incumbent.
 - b. The specific support services attached to the chairs and professorships.
 - c. The benefits to the university, which would include:
 - i. The increase in sponsored program funding directly attributed to the RUETF and indirectly attributed as a result of improved institution reputation.
 - ii. The changes in quality of students and measurable outcomes (retention, graduation, pursuit of advanced study, and employment).
 - iii. The creation and profitable use of intellectual property.
 - d. The benefits to Kentucky in terms of jobs, revenue growth, creation of wealth, and improved standard of living.

C. Uses of Endowment Match Program Funds

1. Endowment Match Program funds will be used for the following purposes:
 - **Endowed Chairs:** Fund new faculty positions and associated expenses. Associated expenses may include travel, start-up costs, and other professional expenses as permitted by university policy.
 - **Endowed Professorships:** Fund salary supplements to existing faculty positions and associated expenses for those positions including travel expenses, start-up costs, and other professional expenses as permitted by university policy.

- **Endowed Scholarships and Fellowships:** Fund scholarships and fellowship stipends, which may include travel and other expenses as permitted by university policy, for outstanding students.
- **Comprehensive Mission Support:** Includes support for the improvement of priority programs of national distinction including funding for visiting scholars, nationally prominent publications, the dissemination of research, and the advancement of support of the general research mission as specified in university regulations and policies. Universities would not fund capital construction projects with endowment funds.
- **Endowment Match Program** funds cannot be used for administration or administrative staff positions if the primary reason for the appointment is administrative. However, researchers or scholars with an active research program who may have an appointment such as departmental chair, center director, or dean will be eligible.

D. Matching Requirements

This program is conceived as a way to bring new money from external sources into the Commonwealth's system of postsecondary education. To receive Endowment Match Program funds, the comprehensive universities will provide a dollar-for-dollar match:

1. Eligible matching funds can be received from only the following entities:
 - Businesses, foundations, hospitals, or corporations.
 - Alumni or other individuals.
2. All matching funds must be endowed. "Endowed" means the principal must be maintained and only earnings may be expended.
3. Requests for Endowment Match Program funds should:
 - Identify separately the matching funds that are cash and the matching funds that are pledges.
 - Be based on a binding written contract or agreement.
 - Include a payment pledge that may not exceed five years.
4. If pledged funds are not received within five years, the university must replace the portion that is not received with another eligible cash match or the Endowment Match Program funds will revert to the Trust Fund for reallocation.

5. ~~Matching funds may not be from any state funded trust fund.~~ Matching funds must be from external sources. General Fund appropriations and student-derived revenues (for example, tuition and fees revenue) are not eligible for matching funds.
6. *Distribution of the Endowment Match Program funds will be as follows:*

For purposes of allocation, the comprehensive university endowment match of \$20 million is divided into two \$10 million pools. Each institution has access to the two pools for the amounts specified below:

<u>Institution</u>	<u>Primary Pool</u>	<u>Secondary Pool</u>	<u>Total</u>
Eastern Kentucky University	\$2,450,000	\$2,450,000	\$4,900,000
Kentucky State University	751,500	751,500	1,503,000
Morehead State University	1,462,500	1,462,500	2,925,000
Murray State University	1,691,500	1,691,500	3,383,000
Northern Kentucky University	1,332,000	1,332,000	2,664,000
Western Kentucky University	<u>2,312,500</u>	<u>2,312,500</u>	<u>4,625,000</u>
Total	\$10,000,000	\$10,000,000	\$20,000,000

The primary pool of \$10 million is allocated to specific institutions and remains in the Trust Fund until it is matched. Funds may be carried forward.

The secondary pool is assigned to each institution until June 30, 2002. If not matched by the assigned institution by that date, all comprehensive universities that have fully matched their allocations from both pools may submit requests for additional matching funds. Funds requested from July 1, 2002 until July 31, 2002, will be matched on a pro-rata basis based on requests. After July 31, 2002, funds requested will be considered on a first-in basis until all funds are allocated.

E. Annual Reporting for 2000-02

The Council staff, working with university presidents and their staffs, will modify as necessary the format and contents of the universities' annual report used to monitor the 1998-2000 Endowment Matching Program.

2000-02 ENROLLMENT GROWTH AND RETENTION PROGRAM GUIDELINES

Introduction

The Enrollment Growth and Retention Program supports increased enrollment and retention in Kentucky's postsecondary education institutions. The Council, in conjunction with the institutions, established enrollment and retention targets that will be used in measuring progress toward increased educational access and attainment. These goals reflect the *1999-2004 Action Agenda* and House Bill 1 initiatives to reach national averages in educational attainment by 2020. Additionally, the program should target underserved areas.

The 2000-02 Appropriations Bill allocates the \$8 million Enrollment Growth and Retention Program funds for 2000-01:

Research Universities

University of Kentucky	\$950,000
Lexington Community College	250,000
University of Louisville	<u>450,000</u>
Total	\$1,650,000

Comprehensive Universities

Eastern Kentucky University	850,000
Kentucky State University	400,000
Morehead State University	350,000
Murray State University	200,000
Northern Kentucky University	350,000
Western Kentucky University	<u>700,000</u>
Total	\$2,850,000

Kentucky Community and

Technical College System Total	\$3,500,000
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System Total	\$8,000,000
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The 2001-02 appropriation is not allocated at this time.

Biennial enrollment and retention goals were established for each institution as part of the *1999-2004 Action Agenda*.

- For 2000-01, institutions will be measured by whether or not they meet the fall 2000 goals.
- Because of the 2000-01 legislative appropriation, the enrollment and retention schedules now include objectives for each year of the biennium. The first year objectives are interpolations.

A. Uses of Enrollment Growth and Retention Program Funds

1. There are no restrictions on the non-recurring use of 2000-01 Enrollment Growth and Retention Program funds for institutions that meet fall 2000 enrollment and retention goals.
2. Institutions that assign 2000-01 enrollment growth and retention funds to recurring activities should understand that the distribution of the 2001-02 appropriation will be based on meeting enrollment and retention goals in the fall of 2001.

B. Distribution of 2000-01 Funds

Enrollment growth and retention funds will be distributed after July 1, 2000. However, institutions that do not meet fall 2000 enrollment and retention goals must submit a plan showing how the funds will be used to support recruitment and retention efforts.

C. Distribution and Uses of 2001-02 Enrollment Growth and Retention Program Funds

It is anticipated that the 2001-02 Enrollment Growth and Retention Program Guidelines will be submitted to the Council no later than its January 2001 meeting. The distribution of 2001-02 funds will be based on meeting fall 2001 enrollment and retention goals.

Undergraduate Enrollment Fall Semester

	<u>Actual</u>		<u>Goal</u>	
	<u>1998*</u>	<u>1999*</u>	<u>2000</u>	<u>2001</u>
Research Universities				
University of Kentucky	17,200	16,800	17,300	17,400
Lexington Community College	6,100	6,800	6,700	7,000
University of Louisville	14,600	14,700	14,500	14,400
Comprehensive Universities				
Eastern Kentucky University	13,500	13,300	13,800	14,100
Kentucky State University	2,200	2,300	2,300	2,400
Morehead State University	6,700	6,600	6,800	6,900
Murray State University	7,300	7,300	7,400	7,500
Northern Kentucky University	10,600	10,700	10,700	10,900
Western Kentucky University	12,700	12,900	13,000	13,200
KCTCS	45,500	46,000	47,300	48,800
Subtotal	136,400	137,400	139,800	142,600
Independent Institutions	24,200	24,100	24,200	24,700
Total Undergraduate Enrollment	160,600	161,500	164,000	167,300

* Rounded

Graduate/Professional Enrollment* ***Fall Semester***

	<u>Actual</u>		<u>Goal</u>	
	<u>1998**</u>	<u>1999**</u>	<u>2000</u>	<u>2001</u>
University of Kentucky	7,000	6,700	7,000	7,100
University of Louisville	6,100	6,000	6,200	6,300
Total Graduate/Professional Enrollment	13,100	12,700	13,200	13,400

* Excludes Postdoctoral Students

** Rounded

**Retention Rates
Fall Semester**

	<u>Actual</u>		<u>Goal</u>	
	<u>1998*</u>	<u>1999*</u>	<u>2000</u>	<u>2001</u>
Research Universities				
University of Kentucky	80%	79%	80%	81%
Lexington Community College**	62	62	63	63
University of Louisville	71	69	72	73
Comprehensive Universities				
Eastern Kentucky University	63	61	64	65
Kentucky State University	57	71	58	59
Morehead State University	64	59	65	66
Murray State University	72	67	72	73
Northern Kentucky University	63	62	64	65
Western Kentucky University	68	67	68	69
KCTCS**	53	53	54	55

* Rounded. First-time freshmen in fall 1997 who were still enrolled in fall 1998, and first-time freshmen in fall 1998 who were still enrolled in fall 1999.

** Includes students who transferred to public universities.

2001-02 Enrollment Growth and Retention Program Guidelines

Introduction

Kentucky wants to reach the national averages for college going and percentage of adults with degrees. The 2000-02 Enrollment Growth and Retention Program was created to promote these goals. The funding for this program is provided through three separate trust funds.

House Bill 502 directed the distribution of the \$8 million in program funds for fiscal year 2001 and directed the council to develop the distribution method for fiscal year 2002. The *1999-2004 Action Agenda* established enrollment and retention goals for each institution. The council was guided by the following principles in developing the distribution guidelines.

- The Enrollment Growth and Retention Program should supplement benchmark funding.
- Funds appropriated to the program should provide incentives to the institutions to reach their enrollment and retention goals.

A. General Guidelines

- Allocations from the three trust funds for enrollment growth and retention will go to eligible institutions only – there may be no redistribution among trust funds:

Research Challenge Trust Fund: UK, LCC, and UofL	\$1,650,000
Regional University Excellence Trust Fund: EKU, KSU, MoSU, MuSU, NKU, WKU	2,850,000
Postsecondary Workforce Development Trust Fund: KCTCS	<u>3,500,000</u>
Total Enrollment Growth and Retention Program	\$8,000,000
- The established enrollment goals are published in the 2000-02 Trust Fund Guidelines. EKU, KSU, MoSU, MuSU, NKU, and WKU will be measured by growth in undergraduate enrollment, UK by increases in undergraduate and graduate and professional enrollment, UofL by growth in graduate and professional enrollment, and KCTCS and LCC by increases in headcount students enrolled in college credit courses. Enrollment growth will be measured by the increase in students from fall 1998 to fall 2001.
- Retention is measured by the number of first-time freshmen (full-time and part-time undergraduate students) who return a year later (fall semester to fall semester). The fall 2001 retention rates will be compared to the established goals as published in the 2000-02 Trust Fund Guidelines.

B. Distribution Guidelines: Advance Program Funds Based on Goals

- Each trust fund will have separate, equal pools for enrollment and retention.
- The retention pool will be distributed among the institutions based on fall 2001 undergraduate headcount enrollment goals.

Approved February 5, 2001

- The enrollment growth funds will be allocated to the institutions based on projected enrollment growth (fall 2001 enrollment goals less fall 1998 actual enrollment) and the calculated state support amount per FTE for each institution. The resulting distribution will be limited to the amount of available funds.
- The funds will be distributed to the institutions quarterly.
- The allocated retention funds will become recurring if an institution achieves its fall 2001 retention goals.
- The allocated enrollment funds will become recurring to the extent that an institution achieves its fall 2001 enrollment goals. The advance allocations are presented in the following table.

Any unearned recurring fiscal year 2002 enrollment growth and retention funds will revert to the trust funds to be used as part of the 2002-04 Enrollment Growth and Retention Program.

Approved February 5, 2001

**Enrollment Growth and Retention Program
Advance Program Funds
2001-02 Allocations**

	FY 2002		
	Retention Funds	Enrollment Funds	Total Allocation
Research Challenge Trust Fund			
University of Kentucky	\$ 370,000	\$ 456,000	\$ 826,000
Lexington Community College	148,800	166,400	315,200
University of Louisville	306,200	202,600	508,800
	<u>\$ 825,000</u>	<u>\$ 825,000</u>	<u>\$ 1,650,000</u>
Regional University Excellence Trust Fund			
Eastern Kentucky University	\$ 365,300	\$ 390,200	\$ 755,500
Kentucky State University	62,200	262,700	324,900
Morehead State University	178,800	141,700	320,500
Murray State University	194,300	154,700	349,000
Northern Kentucky University	282,400	154,200	436,600
Western Kentucky University	342,000	321,500	663,500
	<u>\$ 1,425,000</u>	<u>\$ 1,425,000</u>	<u>\$ 2,850,000</u>
Workforce Development Trust Fund			
KCTCS	\$ 1,750,000	\$ 1,750,000	\$ 3,500,000
Total Enrollment Growth and Retention Program Funds	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 8,000,000</u>

2000-02 ACTION AGENDA PROGRAM GUIDELINES

Introduction

The Action Agenda Program in the Regional University Excellence Trust Fund will support specific efforts by the comprehensive universities to achieve the aspirations set forth in the *Kentucky Postsecondary Education Improvement Act of 1997*, *2020 Vision*, and the Council's *1999-2004 Action Agenda*. Institutions are expected to design, develop, and implement distinctive approaches to achieving the goals of postsecondary education including leading more Kentuckians to seek and obtain postsecondary education, smoothing the transition from high school to postsecondary education, and improving the quality of life for children and the elderly.

This program has a \$10 million appropriation in 2001-02 to be allocated among the comprehensive universities as specified in House Bill 502.

<u>Comprehensive Universities</u>	<u>2001-02</u>
Eastern Kentucky University	\$2,433,000
Kentucky State University	732,000
Morehead State University	1,435,000
Murray State University	1,659,000
Northern Kentucky University	1,414,000
Western Kentucky University	<u>2,327,000</u>
Total	\$10,000,000

A. Uses of Action Agenda Program Funds

1. Activities should be directed toward initiatives that will help achieve the goals of *The Postsecondary Education Improvement Act of 1997*, *2020 Vision*, and the *Action Agenda*.
2. Each comprehensive university shall submit a single proposal addressing the planned use of these funds. The proposal may include multiple initiatives.
3. Examples of initiatives that may be funded include efforts to:
 - Address issues of teacher quality, pre-service training, and in-service professional development as identified by the Teacher Quality Task Force recommendations. (Note: The 2000-02 Appropriations Bill encourages the Council to allocate \$4 million of the Action Agenda Program funds to initiatives addressing teacher quality issues. Senate Bill 77 stipulates conditions that postsecondary education institutions must meet in order to qualify for funds for the purposes of teacher education or model programs of teaching and learning.)

- Collaborate with other education entities.
 - Aid in the recruitment and retention of students by increasing the awareness of an institution and its academic offerings among populations within its region.
 - Increase the cultural and racial diversity among students, faculty, and staff.
 - Provide services for persons with disabilities.
 - Implement projects that address community problems and quality of life issues.
 - Increase the effective use of information technology for instructional purposes only.
 - Determine the level of student satisfaction with their learning and employer satisfaction with their college-educated workforce.
4. Proposals will be reviewed by the Council based on the criteria listed above.

B. Annual Reporting for 2000-02

Proposals will include outcomes-based performance indicators, benchmarks, and evaluation criteria.

2000-02 WORKFORCE TRAINING PROGRAM GUIDELINES

Introduction

The Workforce Training Program in the Postsecondary Workforce Development Trust Fund will help improve and expand workforce skills. To retain and attract leading companies, Kentucky needs highly trained workers. Kentucky employers need rapid, flexible response to immediate training needs. The Workforce Training Program continues the 1999-2000 \$6 million program appropriation for each year of the 2000-02 biennium.

Kentucky Community and Technical College System

2000-01	\$6,000,000
2001-02	<u>6,000,000</u>
Total	\$12,000,000

Uses of Workforce Training Program Funds

1. The Kentucky Community and Technical College System will write a proposal addressing the planned use of these funds.
2. The 2000-02 Appropriations Bill, House Bill 502, encourages up to \$2 million each year be used for high-tech training consistent with the Knowledge-Based Economy Initiative. The Council will place a high priority on proposals addressing this issue.
3. The proposal is to include the specific performance objectives and timeline against which success of the program can be measured.
4. Lexington Community College may apply for funding through the KCTCS.
5. These funds may be used for worker training programs on a nonrecurring basis and may not be used to establish permanent KCTCS program offerings.

2000-02 EQUIPMENT REPLACEMENT PROGRAM GUIDELINES

Introduction

The Equipment Replacement Program in the Technology Initiative Trust Fund will pay the debt service on a \$20 million seven-year bond issue to upgrade and replace instructional and research equipment. The Council staff will work with the Finance and Administration Cabinet to provide the necessary documentation so that the bonds may be issued as soon as possible after January 1, 2001.

The bond proceeds are allocated proportionally among institutions based on 1998-99 actual unrestricted instruction and research expenditures in accordance with the provisions of House Bill 502.

Research Universities

University of Kentucky	\$7,385,000
University of Louisville	<u>3,547,000</u>
Total	\$10,932,000

Comprehensive Universities

Eastern Kentucky University	\$1,582,000
Kentucky State University	253,000
Morehead State University	751,000
Murray State University	1,009,000
Northern Kentucky University	861,000
Western Kentucky University	<u>1,394,000</u>
Total	\$5,850,000

Kentucky Community and Technical College System Total	\$3,218,000
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System Total	\$20,000,000
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Use and Distribution of Equipment Replacement Program Funds

1. Each institution shall submit a proposal, by October 2, 2000, addressing the planned use of these funds, including identifying whether the replacement equipment is instructional or research equipment.
 - The proposal shall certify that the institution will maintain at least its 1999-2000 level of expenditures for instructional and research equipment replacement.
2. Institutions replacing research equipment will match trust funds dollar-for-dollar.
 - The availability of research equipment matching funds must be certified by the institution prior to the release of the trust funds.
 - Research equipment matching funds may not be from any state-funded trust fund.
3. The Council will act on institutional proposals and recommend action to the Secretary of the Finance and Administration Cabinet for approval.
4. Instructional and research equipment shall have an average useful life of no less than five years.

2000-02 CAPITAL RENEWAL AND MAINTENANCE PROGRAM GUIDELINES

Introduction

The Capital Renewal and Maintenance Program in the Physical Facilities Trust Fund will pay the debt service on a \$30 million 20-year bond issue to provide matching dollars to reduce deferred maintenance backlogs and begin to address longer-range facilities renewal needs. The Council staff will work with the Finance and Administration Cabinet to provide the necessary documentation so that the bonds may be issued as soon as possible after January 1, 2001.

The distribution of the bond proceeds is based on E&G square footage reported by institutions in the Fall 1998 Facilities Database. The distribution was part of the Council's 2000-02 biennial budget request.

Research Universities

University of Kentucky	\$8,929,000
University of Louisville	<u>4,553,000</u>
Total	\$13,482,000

Comprehensive Universities

Eastern Kentucky University	\$2,814,000
Kentucky State University	759,000
Morehead State University	1,625,000
Murray State University	2,532,000
Northern Kentucky University	1,359,000
Western Kentucky University	<u>2,343,000</u>
Total	\$11,432,000

Kentucky Community and Technical College System Total	\$5,086,000
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System Total	\$30,000,000
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Use and Distribution of Capital Renewal and Maintenance Program Funds

1. Bond proceeds will be matched dollar-for-dollar by the institutions. This will yield \$60 million for capital renewal and maintenance projects.
2. The availability of matching funds must be certified by the institution prior to the release of the funds.
3. Matching funds may not be from any state-funded trust fund.
4. Each institution will write to the Council, by July 31, 2000, identifying the projects that will be funded by bond proceeds and the institutional match. Projects to be funded must be from the list of eligible projects approved by the Council in November 1999. That list is attached.
5. The Council will act on institutional proposals for funding and report that action to the Secretary of the Finance and Administration Cabinet for approval.

Capital Renewal And Maintenance Projects Eligible For Funding

<u>Institutions and Projects</u>	<u>Project Scope</u>
University of Kentucky	
Deferred Maintenance Pool	2,095,000
Capital Renewal Pool	12,268,000
Life Safety Pool E&G	2,145,000
Life Safety Lex Campus Fume Hoods - Phase III	3,205,000
Life Safety Lex Campus Asbestos Abatement - Ph I	500,000
Life Safety Underground Storage Tanks	927,000
Handicapped Access Pool E&G	350,000
Steam and Condensate Pipe Repair - Phase I	2,352,000
Chilled Water Additions	784,000
Storm Sewer Improvements – Funkhouser	910,000
Substation #2 Renovation	2,520,000
Chilled Water Piping Addition to Pit	1,174,000
Central Heating Plant #2 Improvements	1,247,000
Nursing Building Elevator Controls Upgrade	500,000
Steam Line Expansion – Medical Center	2,867,000
Upgrade Chilled Water Systems – Medical Center	3,450,000
Electrical Substation Upgrade	3,600,000
Steam and Condensate Pipe Improvement - Phase I	2,494,000
Pollution Controls, Central Heating Plant #2	1,494,000
Sanitary Line Project	2,360,000
UK Subtotal	47,242,000
University of Louisville	
Deferred Maintenance Projects Pool	250,000
Capital Renewal Projects Pool	6,225,000
Code Improvements – Fire Safety Pool	1,029,000
Chemistry Fume Hood Redesign	5,397,000
Life Sciences Lab Ventilation Renovation	3,638,000
ADA Project Pool - E&G	2,638,000
Environmental Health and Safety Projects - E&G	360,000
CFC Project Phase III – E&G	1,953,000
UofL Subtotal	21,490,000
Eastern Kentucky University	
Minor Projects Maintenance - E&G	\$12,000,000
E&G Life Safety Begley Building Elevator	750,000
EKU Subtotal	12,750,000

Kentucky State University	
Roof Repair and Replacement Projects	600,000
Capital Renewal Projects	1,000,000
Pedestrian Mall	771,000
Chiller Additions	2,254,200
KSU Subtotal	4,625,200

Morehead State University	
Life Safety: E&G Facilities	720,000
Claypool-Young Air Quality, Health and Safety	420,000
ADA Compliance - E&G	1,793,000
1990 Clean Air Act Amendment Compliance - E&G	1,100,000
Capital Renewal – E&G	4,300,000
Central Campus Reconstruction	650,000
MoSU Subtotal	8,983,000

Murray State University	
Deferred Maintenance: E&G	864,000
Life Safety: E&G Pool	852,000
Projects Less Than \$400,000 E&G	792,000
Capital Renewal: E&G Pool	2,705,000
Electrical Distribution Upgrade	3,330,000
Replace Campus Telephone Cable	1,708,000
Pogue Electric and HVAC Renovation	750,000
Replace Central Plant Boiler	666,000
Central Plant – Add Chiller	630,000
Replace Physical Plant – Electrical Substation	796,000
Upgrade Highway 121 Electrical Substation	1,000,000
Replace High Voltage Feeder	1,141,000
Applied Science Electrical Upgrade	850,000
Wells Hall Electrical Upgrade	600,000
Sparks Hall Electrical Upgrade	952,000
Sparks Hall Renovate HVAC System	500,000
General Services Renovate HVAC System	500,000
Special Education Building Renovate HVAC System	500,000
Price Doyle HVAC Replacement & Energy Retrofit	750,000
ADA Compliance Elevators/Modifications	1,013,000
ADA Compliance Architectural Barrier Removal	2,092,000
Asbestos Abatement E&G	272,500
CFC Compliance E&G Chillers Replacement	585,000
MuSU Subtotal	23,848,500

Northern Kentucky University

Boiler/Chiller Replacement	1,500,000
Classroom Technology Initiative	3,000,000
Elevator Upgrade	600,000
Chilled Water System Redesign	400,000
Minor Projects Pool	2,170,000
Safety Lighting	910,000
NKU Subtotal	8,580,000

Western Kentucky University

E&G Capital Renewal/Life Safety Pool	8,935,000
WKU Primary Electrical Service (Stage III)	3,000,000
ES&T Replace Duct Work and HVAC Controls	633,000
Academic Complex Replace VAV Boxes	638,000
Kentucky Building HVAC Replacement	880,000
Helm-Cravens Library Fire Alarm Replacement	554,000
Ivan Wilson Fine Arts Center Life Safety	441,000
Helm-Cravens Repair Leaking Windows	591,000
Ivan Wilson Fine Arts Center Chiller Replacement	562,000
Ag Exposition Center HVAC Improvement Phase II	731,000
Academic Complex ACM Floor Tile Abatement	957,000
Garrett Conference Center HVAC Project	600,000
WKU Subtotal	18,522,000

Kentucky Community and Technical College System

Deferred Maintenance & Gov. Mandates Pool	3,571,000
Capital Renewal Projects Pool	10,165,000
West KY Tech Roof Replacement	999,000
Program Renovation Pool	5,368,000
Bowling Green Tech Replace Roofs, Bldgs G&H	532,000
Jefferson Tech HVAC System Replacement	2,491,000
Somerset Tech Fire Alarm & Sprinkler System	525,000
Elizabethtown Tech HVAC Replacement Bldg 66 and 75	834,000
KCTCS Subtotal	24,485,000

System Total**\$170,525,700**

APPENDIX

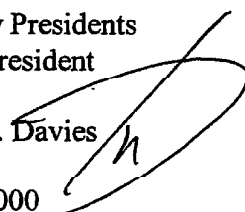
***July 17, 2000, Communication on Timelines for Allocating the
2000-02 Capital Renewal and Maintenance Program, Equipment
Replacement Program, and the Agency Bond Pool.***



GORDON K. DAVIES
President

MEMORANDUM

TO: University Presidents
KCTCS President

FROM: Gordon K. Davies 

DATE: July 17, 2000

SUBJECT: Timelines for Allocating the 2000-02 Capital Renewal and Maintenance Pool, Equipment Replacement Pool, and the Agency Bond Pool

As a result of receiving a number of inquiries from presidents and other institutional staff, Council staff has sought to establish an aggressive approach to providing access to 2000-02 funds for completion of capital and equipment projects.

Council staff recently met with staff from the Finance and Administration Cabinet and the Governor's Office for Policy and Management to discuss the proposed guidelines for the various postsecondary education capital projects programs. Based on those discussions and assuming some form of Council action at its September meeting, institutions could access some funds as early as November 1. A summary follows.

Capital Renewal and Maintenance Pool: The proposed Trust Funds guidelines have institutions identifying projects by July 31, 2000. The Council will consider the staff recommendation at its September meeting. This timetable would then permit the Council's recommendation to be acted on by the Secretary of the Finance and Administration Cabinet and reported to the Capital Projects and Bond Oversight Committee at its October meeting. Provided that all entities involved are responsive to this timetable, this could allow access to these funds as early as November 1. A dollar-for-dollar institutional match is required. The list of eligible projects, the guidelines, and a template to submit project information is included as **Attachment A**.

University Presidents and KCTCS President
Page Two
July 17, 2000

Equipment Replacement Pool: The proposed Trust Funds guidelines have institutions identifying projects by October 2, 2000. The Council will consider the staff recommendation at its November meeting. This timetable would then permit the Council's recommendation to be acted on by the Secretary of the Finance and Administration Cabinet and reported to the Capital Projects and Bond Oversight Committee at its December meeting. Provided that all entities involved are responsive to this timetable, this could allow access these funds as early as January 2001. A dollar-for-dollar institutional match for research equipment projects is required. The guidelines and a template to submit project information are included as **Attachment B**.

Agency Bond Pool: Institutions are asked to identify projects by July 31, 2000. The Council will consider the staff recommendation at its September meeting. This timetable would then permit the Council's recommendation to be acted on by the Secretary of the Finance and Administration Cabinet and reported to the Capital Projects and Bond Oversight Committee at its October meeting. Provided that all institutions are responsive to this timetable, this could allow institutions to issue bonds as early as November. The list of eligible projects, the guidelines, and a template to submit project information is included as **Attachment C**.

Thank you for your attention to this matter. If your staff has questions about any of these matters, please have them contact Ron Carson or Sherron Jackson.

Enclosures

cc: Ron Carson
Sherron Jackson
Chief Budget Officers

ATTACHMENT A

Guidelines for Allocating 2000-2002 Capital Renewal and Maintenance Pool

Capital Renewal and Maintenance Pool: Enacted budget - \$30 million in bonds to complete \$60 million in capital projects; Total amount of projects identified in CPE Recommendation - \$170.5 million (list attached). Projects for consideration for Capital Renewal and Maintenance Pool funding will be taken from the list of projects recommended by the Council for authorization and funding in the 2000-02 biennium. Institutional responses are due in the Council offices by close of business Monday, July 31, 2000. The following factors were used to establish the recommendation:

- Maintenance projects (non-routine) which maintain a facility's condition and use and pools of multiple projects (cost less than \$400,000 each) which maintain a facility's condition and use.
- Mandated compliance with safety and health codes and timetables set by federal and state agencies for compliance.
- Infrastructure and utilities needs for delivery to existing facilities.

For each project included in the list the following additional information is required: Institutions are to review the list of projects, as approved by the Council, to determine if priorities remain unchanged and which projects on the list can be deferred (i.e., deferred to the next biennium).

1. Specific project name (if different from original).
2. Estimated date project will be bid and date of project completion.
3. Estimated project implementation (draw) schedule.
4. Specific source of matching funds.

The institution will provide a letter certifying that the preventive maintenance plan has been implemented and the fiscal year 2000 annual inspection of facilities has been completed or is now underway. If the inspections are now underway, institutions are to provide an estimated date of completion.

Capital Renewal Bonds Pool Projects Eligible For Funding

<u>Institution and Project</u>	<u>Project Scope</u>
University of Kentucky	
Deferred Maintenance Pool	2,095,000
Capital Renewal Pool	12,268,000
Life Safety Pool E&G	2,145,000
Life Safety Lex Campus Fume Hoods - Phase III	3,205,000
Life Safety Lex Campus Asbestos Abatement - Ph I	500,000
Life Safety Underground Storage Tanks	927,000
Handicapped Access Pool E&G	350,000
Steam and Condensate Pipe Repair - Phase I	2,352,000
Chilled Water Additions	784,000
Storm Sewer Improvements – Funkhouser	910,000
Substation #2 Renovation	2,520,000
Chilled Water Piping Addition to Pit	1,174,000
Central Heating Plant #2 Improvements	1,247,000
Nursing Building Elevator Controls Upgrade	500,000
Steam Line Expansion – Medical Center	2,867,000
Upgrade Chilled Water Systems - Medical Center	3,450,000
Electrical Substation Upgrade	3,600,000
Steam and Condensate Pipe Improvement - Phase I	2,494,000
Pollution Controls, Central Heating Plant #2	1,494,000
Sanitary Line Project	2,360,000
UK Subtotal	47,242,000
University of Louisville	
Deferred Maintenance Projects Pool	250,000
Capital Renewal Projects Pool	6,225,000
Code Improvements – Fire Safety Pool	1,029,000
Chemistry Fume Hood Redesign	5,397,000
Life Sciences Lab Ventilation Renovation	3,638,000
ADA Project Pool - E&G	2,638,000
Environmental Health and Safety Projects - E&G	360,000
CFC Project Phase III – E&G	1,953,000
UofL Subtotal	21,490,000
Eastern Kentucky University	
Minor Projects Maintenance - E&G	\$12,000,000
E&G Life Safety Begley Building Elevator	750,000
EKU Subtotal	12,750,000

Kentucky State University

Roof Repair and Replacement Projects	600,000
Capital Renewal Projects	1,000,000
Pedestrian Mall	771,000
Chiller Additions	2,254,200
KSU Subtotal	4,625,200

Morehead State University

Life Safety: E&G Facilities	720,000
Claypool-Young Air Quality, Health and Safety	420,000
ADA Compliance - E&G	1,793,000
1990 Clean Air Act Amendment Compliance - E&G	1,100,000
Capital Renewal - E&G	4,300,000
Central Campus Reconstruction	650,000
MoSU Subtotal	8,983,000

Murray State University

Deferred Maintenance: E&G	864,000
Life Safety: E&G Pool	852,000
Projects Less Than \$400,000 E&G	792,000
Capital Renewal: E&G Pool	2,705,000
Electrical Distribution Upgrade	3,330,000
Replace Campus Telephone Cable	1,708,000
Pogue Electric and HVAC Renovation	750,000
Replace Central Plant Boiler	666,000
Central Plant - Add Chiller	630,000
Replace Physical Plant - Electrical Substation	796,000
Upgrade Highway 121 Electrical Substation	1,000,000
Replace High Voltage Feeder	1,141,000
Applied Science Electrical Upgrade	850,000
Wells Hall Electrical Upgrade	600,000
Sparks Hall Electrical Upgrade	952,000
Sparks Hall Renovate HVAC System	500,000
General Services Renovate HVAC System	500,000
Special Education Building Renovate HVAC System	500,000
Price Doyle HVAC Replacement & Energy Retrofit	750,000
ADA Compliance Elevators/Modifications	1,013,000
ADA Compliance Architectural Barrier Removal	2,092,000
Asbestos Abatement E&G	272,500
CFC Compliance E&G Chillers Replacement	585,000
MuSU Subtotal	23,848,500

Northern Kentucky University	
Boiler/Chiller Replacement	1,500,000
Classroom Technology Initiative	3,000,000
Elevator Upgrade	600,000
Chilled Water System Redesign	400,000
Minor Projects Pool	2,170,000
Safety Lighting	910,000
NKU Subtotal	8,580,000

Western Kentucky University	
E&G Capital Renewal/Life Safety Pool	8,935,000
WKU Primary Electrical Service (Stage III)	3,000,000
ES&T Replace Duct Work and HVAC Controls	633,000
Academic Complex Replace VAV Boxes	638,000
Kentucky Building HVAC Replacement	880,000
Helm-Cravens Library Fire Alarm Replacement	554,000
Ivan Wilson Fine Arts Center Life Safety	441,000
Helm-Cravens Repair Leaking Windows	591,000
Ivan Wilson Fine Arts Center Chiller Replacement	562,000
Ag Exposition Center HVAC Improvement Phase II	731,000
Academic Complex ACM Floor Tile Abatement	957,000
Garrett Conference Center HVAC Project	600,000
WKU Subtotal	18,522,000

Kentucky Community and Technical College System	
Deferred Maintenance & Gov. Mandates Pool	3,571,000
Capital Renewal Projects Pool	10,165,000
West KY Tech Roof Replacement	999,000
Program Renovation Pool	5,368,000
Bowling Green Tech Replace Roofs, Bldgs G&H	532,000
Jefferson Tech HVAC System Replacement	2,491,000
Somerset Tech Fire Alarm & Sprinkler System	525,000
Elizabethtown Tech HVAC Replacement Bldg 66 and 75	834,000
KCTCS Subtotal	24,485,000

System Total	\$170,525,700
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ATTACHMENT A-1

2000-02 Enacted Budget (HB 502)

Capital Renewal and Maintenance Pool

Projects Eligible For Funding

Institution and Project	Project Scope	Bid Date	Date Project Complete	Project Implementation		Source Of Match
				First Draw	Second Draw	
Eastern Kentucky University						
Minor Projects Maintenance - E&G	\$6,000,000					
E&G Life Safety Begley Building Elevator	750,000					
EKU Subtotal	6,750,000					
Kentucky Community and Technical College System						
Deferrec Maintenance & Gov. Mandates Pool	3,571,000					
Capital Renewal Projects Pool	10,165,000					
West KY Tech Roof Replacement	989,000					
Program Renovation Pool	5,368,000					
Bowling Green Tech Replace Roofs, Bldgs G&H	532,000					
Jefferson Tech HVAC System Replacement	2,491,000					
Somersat Tech Fire Alarm & Sprinkler System	525,000					
Elizabethtown Tech HVAC Replacement Bldg 66 and 75	834,000					
KCTCS Subtotal	24,485,000					
Kentucky State University						
Roof Repair and Replacement Projects	600,000					
Capital Renewal Projects	1,000,000					
Pedestrian Mall	771,000					
Chiller Additions	2,254,200					
KSU Subtotal	4,625,200					
Morehead State University						
Life Safety: E&G Facilities	720,000					
Claypool-Young Air Quality, Health and Safety	420,000					
ADA Compliance - E&G	1,793,000					
1990 Clean Air Act Amendment Compliance - E&G	1,100,000					
Capital Renewal - E&G	4,300,000					
Central Campus Reconstruction	650,000					
MoSU Subtotal	8,983,000					

Institution and Project	Project Scope	Bld Date	Date Project Complete	Project Implementation		Source Of Match
				First Draw	Second Draw	
Murray State University						
Deferred Maintenance: E&G	864,000					
Life Safety: E&G Pool	852,000					
Projects Less Than \$400,000 E&G	792,000					
Capital Renewal: E&G Pool	2,705,000					
Electrical Distribution Upgrade	3,330,000					
Replace Campus Telephone Cable	1,708,000					
Pogue Electric and HVAC Renovation	750,000					
Replace Central Plant Boiler	666,000					
Central Plant - Add Chiller	630,000					
Replace Physical Plant - Electrical Substation	796,000					
Upgrade Highway 121 Electrical Substation	1,000,000					
Replace High Voltage Feeder	1,141,000					
Applied Science Electrical Upgrade	850,000					
Wells Hall Electrical Upgrade	600,000					
Sparks Hall Electrical Upgrade	952,000					
Sparks Hall Renovate HVAC System	500,000					
General Services Renovate HVAC System	500,000					
Special Education Building Renovate HVAC System	500,000					
Price Doyle HVAC Replacement & Energy Retrofit	750,000					
ADA Compliance Elevators/Modifications	1,013,000					
ADA Compliance Architectural Barrier Removal	2,092,000					
Asbestos Abatement E&G	272,500					
CFC Compliance E&G Chillers Replacement	585,000					
MuSU Subtotal	23,848,500					
Northern Kentucky University						
Boiler/Chiller Replacement	1,500,000					
Classroom Technology Initiative	3,000,000					
Elevator Upgrade	600,000					
Chilled Water System Redesign	400,000					
Minor Projects Pool	2,170,000					
Safety Lighting	910,000					
NKU Subtotal	8,580,000					

Institution and Project	Project Scope	Bid Date	Date Project Complete	Project Implementation		Source Of Match
				First Draw	Second Draw	
University of Kentucky						
Deferred Maintenance Pool	2,095,000					
Capital Renewal Pool	12,268,000					
Life Safety Pool E&G	2,145,000					
Life Safety Lex Campus Fume Hoods - Phase III	3,205,000					
Life Safety Lex Campus Asbestos Abatement - Ph I	500,000					
Life Safety Underground Storage Tanks	927,000					
Handicapped Access Pool E&G	350,000					
Steam and Condensate Pipe Repair - Phase I	2,352,000					
Chilled Water Additions	784,000					
Storm Sewer Improvements - Funkhouser	910,000					
Substation #2 Renovation	2,520,000					
Chilled Water Piping Addition to Pit	1,174,000					
Central Heating Plant #2 Improvements	1,247,000					
Nursing Building Elevator Controls Upgrade	500,000					
Steam Line Expansion - Medical Center	2,867,000					
Upgrade Chilled Water Systems - Medical Center	3,450,000					
Electrical Substation Upgrade	3,600,000					
Steam and Condensate Pipe Improvement - Phase II	2,494,000					
Pollution Controls, Central Heating Plant #2	1,494,000					
Sanitary Line Project	2,360,000					
UK Subtotal	47,242,000					
University of Louisville						
Deferred Maintenance Projects Pool	250,000					
Capital Renewal Projects Pool	6,225,000					
Code Improvements - Fire Safety Pool	1,029,000					
Chemistry Fume Hood Redesign	5,397,000					
Life Sciences Lab Ventilation Renovation	3,638,000					
ADA Project Pool - E&G	2,638,000					
Environmental Health and Safety Projects - E&G	350,000					
CFC Project Phase III - E&G	1,953,000					
UofL Subtotal	21,490,000					

Institution and Project	Project Scope	Bid Date	Date Project Complete	Project Implementation			Source Of Match
				First Draw	Second Draw	Final Draw	
Western Kentucky University							
E&G Capital Renewal/Life Safety Pool	8,935,000						
WKU Primary Electrical Service (Stage III)	3,000,000						
ES&T Replace Duct Work and HVAC Controls	633,000						
Academic Complex Replace VAV Boxes	638,000						
Kentucky Building HVAC Replacement	880,000						
Helm-Cravens Library Fire Alarm Replacement	554,000						
Ivan Wilson Fine Arts Center Life Safety	441,000						
Helm-Cravens Repair Leaking Windows	591,000						
Ivan Wilson Fine Arts Center Chiller Replacement	562,000						
Ag Exposition Center HVAC Improvement Phase II	731,000						
Academic Complex ACM Floor Tile Abatement	957,000						
Garrett Conference Center HVAC Project	600,000						
WKU Subtotal	18,522,000						
System Total	\$184,525,700						

Note
Within pools, if all projects will not be implemented, institutions must identify the specific project(s) that will be implemented.

ATTACHMENT B

Guidelines for Allocating 2000-2002 Equipment Replacement Pool

Equipment Replacement Pool: Enacted budget - \$20 million in bonds. Each institution will submit a proposal for Equipment Replacement Pool funding as recommended by the Council. Proposals are due in the Council offices by close of business Monday, October 2, 2000. This program is designed to provide funds to institutions to upgrade and replace instructional and research equipment.

For each equipment project included in the proposal the following information is required by the Office of Financial Management:

1. The college at the institution for which the equipment is being purchased.
2. The department for which the equipment is being purchased.
3. Equipment name.
4. Brief description of equipment.
5. Equipment type (instructional or research).
6. Potential equipment vendor.
7. Unit cost and quantity of equipment items to be purchased.
8. Total cost of equipment (including installation cost).
9. Useful life of equipment (please note that the average useful life of all bond financed equipment for each institution must be at least five years).
10. Estimated implementation date and draw schedule (when money needed).
11. Indicate whether the equipment must be special ordered or built.
12. Identify the specific source of matching funds (research equipment only).

Along with the proposal, the institution will provide a letter certifying that the institution will maintain at least its 1999-2000 level of expenditure for instructional and research equipment replacement. The certification applies to each year of the 2000-02 biennium.

ATTACHMENT B-1
2000-02 Enacted Budget (HB 502)
Equipment Replacement Pool
Template for Identifying Equipment Projects

Institution Name: _____

Equipment Item Name	College	Department	Brief Description of Equipment	Project Implementation		Life Expect Years	Date of Acquisition	Research Equipment Only Source Of Match
				Unit Price	Quantity			
Vendor	Total Cost							
Instructional Equipment Projects								
1								
2								
3								
Subtotal - Instructional Equipment								
Research Equipment Projects								
1								
2								
3								
Subtotal - Research Equipment								
Total Request								

ATTACHMENT C

Guidelines for Allocating 2000-2002 Agency Bond Pool

Agency Bond Pool: Enacted budget - \$35 million in Agency Bonds. Projects for consideration for the Agency Bond Pool will be taken from the list of projects recommended by the Council for authorization and funding in the 2000-02 biennium. Institutional responses are due in the Council offices by close of business Monday, July 31, 2000. The following categories were used to establish the recommendation:

- Completion of student housing fire safety projects
- Mandated compliance with safety and health codes and timetables set by federal and state agencies for compliance
- Maintenance projects (non-routine) which maintain a facility's condition and use and pools of multiple projects (cost less than \$400,000 each) which maintain a facility's condition and use. And infrastructure and utilities needs for delivery to existing facilities, and
- Construction of new facilities

For each project included in the list the following additional information is required: Institutions are to review the list of projects, as approved by the Council, to determine if priorities remain unchanged and which projects on the list can be deferred (i.e., deferred to the next biennium).

1. Project name
2. Requested date of issuance of bonds
3. Project completion date
4. The specific source of revenue for debt service, and
5. The project category

The University of Louisville and the Kentucky Community and Technical College System are not eligible to participate because neither institution requested projects from Agency Bonds. Only projects recommended by the Council at the November 1999 meeting or projects specifically added by the General Assembly as eligible in House Bill 502 which have not had fund source changes during the legislative process will be considered. The list of eligible projects follows:

ATTACHMENT C
2000-02 Enacted Budget (HB 502)
Agency Bond Projects Pool
Projects Eligible for Funding

Institution / Institutional Priority / Project Title	Project Type	2000-2002 Agency Bond	Planned Date of Issuance	Project Date of Completion	Source of Debt Service
Eastern Kentucky University					
2 Student Housing Fire Safety		\$2,000,000			
3 Dormitory Renovation, Combs Hall		5,000,000			
14 Greek Row		4,000,000			
EKU Subtotal		11,000,000			
Kentucky State University					
4 Young Hall Renovation		3,672,000			
KSU Subtotal		3,672,000			
Morehead State University					
1 Auxiliary Facilities Life Safety		2,030,000			
5 Americans with Disabilities Act Compliance-Aux		1,560,000			
42 8 Capital Renewal - Auxiliary Facilities		2,300,000			
25 Construction of Family Housing Complexes		4,000,000			
MoSU Subtotal		9,890,000			
Murray State University					
6 Deferred Maintenance: H & D Pool < \$400,000		930,000			
7 Life Safety: H & D Pool < \$400,000		40,000			
12 Capital Renewal: H & D Pool < \$400,000		195,000			
22 Replace Clark Hall		8,000,000			
MuSU Subtotal		9,165,000			
Northern Kentucky University					
5 Classroom Project Initiative		3,000,000			
15 Safety Lighting		910,000			
NKU Subtotal		3,910,000			
University of Kentucky					
15 Student Housing/Fraternity House Replacement		6,000,000			
185 Chiller Replacement - Cooling #3		2,500,000			
203 Cooling Plant #1 Expansion		14,755,000			
227 Communication Project		1,735,000			
UK Subtotal		24,990,000			
Western Kentucky University					
2 Thompson Sc Complex Replacement & Renovation - Phase I		11,000,000			
WKU Subtotal		11,000,000			
System Total		\$73,627,000			